

AFRICAN UNION

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REPORT OF THE COMMISSION ON THE THIRD ORDINARY
SESSION OF THE AU CONFERENCE OF
MINISTERS OF TRADE

**REPORT OF THE COMMISSION ON THE THIRD ORDINARY SESSION
OF THE AU CONFERENCE OF MINISTERS OF TRADE**

1. The 3rd Ordinary Session of the Conference of Ministers of Trade was convened at Ministers' level from 8 to 9 June in Cairo, Egypt. It was graced by the presence of the Prime Minister, H.E. Dr. Ahmed Nazif. It was preceded by a high level meeting of experts from 5 to 7 June. The Conference was attended by 42 Member States with strong delegations from the capitals, Geneva, Brussels and Addis Ababa. This Conference was graced with the presence two distinguished guests: Commissioner Peter Mandelson of the European Commission and Ambassador Peter Allegeier of the United States of America who held a special interactive session with the African Ministers on issues relating to WTO negotiations.

2. The timing of the meeting was most appropriate as it enabled Africa to review the major trade and investment issues with a view to supporting Africa's development on the eve of a series of important regional and international conferences. These include the UNGA for the mid-term Review of the MDGs scheduled for September 2005; the LDCs meeting in Livingstone which will take place from 25 to 27 June; the 4th AGOA Forum scheduled for 18 to 20 July, in Dakar, Senegal; the Commodities Conference and extraordinary session of AU Ministers of Trade scheduled for mid November 2005 in Arusha, Tanzania and the G90 meeting preparatory to the 6th WTO Ministerial Conference, itself scheduled for 13 to 18 December 2005 in Hong Kong.

3. In preparation for the meeting, the Commission mobilized the African Groups in Geneva and Brussels to prepare progress reports on the WTO and EPA negotiations. It also mobilized its regional and international partners to participate in the conference and contribute papers. As a result of these efforts, the NEPAD Secretariat briefed the Conference on the mechanism established with the active participation of the private sector to boost investment in Africa. UEMOA, SADC and ECA presented progress reports on the implementation of trade liberalization plans in the regions. CEMAC, ECOWAS and SADC made presentations on the status of EPA negotiations in their respective regions to the Conference.

4. The mobilization of international partners resulted in the active and effective participation of UNECA, UNCTAD, the World Bank, UNDP, WTO, CFC and ILEAP through the presentation of studies and analytical papers. A number of NGO's operating in the field of Trade and Development participated in the meeting. The contributions and active participation of partners and the civil society in the debate greatly enriched the deliberations of the Conference and was most appreciated by Member States.

5. The agenda of the Conference covered intra-African Trade, more particularly Trade Liberalisation and Trade Facilitation, WTO Negotiations, Economic Partnership Agreements with EU (EPA's), progress reports on AGOA, TICAD III, Trade and Investment in Africa as well as a host of other issues.

6. At the end of the deliberations, the Ministers came up with decisions on the way forward on each item discussed and adopted two Declarations which witnessed intensive discussion and consultations both at the level of Experts and Ministers:

- (i) With respect to the WTO issues, the Ministers adopted the Cairo Declaration and Road Map on the Doha Work Programme. The Declaration reiterates Africa's position with respect to the Doha Development agenda and urges the developed partners to live up to their Doha commitment and to make the negotiations transparent and inclusive. The Cairo Road Map outlines the strategy to be followed by AU Member States at the WTO with regard to Agriculture including the cotton issue, Non-Agricultural Market Access (NAMA), Services, Development issues, Commodities, Trade Facilitation, Rules, Trade, Debt, Finance, Technology Transfer and Accession of new members to WTO. (The full text of the Declaration is attached herewith).
- (ii) The AU's Ministerial Declaration on EPA Negotiations: The Declaration reaffirms Africa's position with regard to eleven issues under EPA negotiations, among others, EPAs as development tools, their relationship to regional integration, the speed of negotiations and the role of the AU Commission in coordinating the negotiations, particularly, in ensuring coherence at multilateral, regional and bilateral levels of negotiations.

7. The Third Ordinary Session of the African Ministers also discussed the issue of the hosting of UNCTAD XII in 2008 given that it was the turn of the African region to host this Conference, and decided to refer the matter to the Candidatures Committee of the AU Executive Council **(See paragraphs 49 and 50 of the Report)**.

8. As African negotiators in Geneva are urged to stand on the agreed position contained in the Cairo Roadmap to guide their negotiations towards the Hong Kong Conference, an extraordinary session of AU Conference of Ministers of Trade will be held in November in order to adopt a common position on each issue of the Doha Work Programme. This position will then be defended with the G90 prior to the Hong Kong Conference. The Ministers of Trade are committed to following this process in order to build on the achievements of Cancun.

9. The Conference was a great success due to the full participation of Member States and partners, the quality of documentation and discussion, and the high relevance of decisions and declarations adopted. The Commission would like to express its gratitude to all partners for their co-operation and support. It would also wish to express its gratitude to the Government and people of Egypt for the excellent facilities and hospitality extended to all participants which contributed to the smooth conduct of the deliberations and the resounding success of the 3rd Session of the Conference of African Ministers of Trade.

10. This Report is presented to the Executive Council for validation. The latter should however consider the single issue unresolved at the level of the Ministers of Trade, namely the selection of an African country to host UNCTAD XII in 2008.

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**AU CONFERENCE OF MINISTERS OF TRADE
3rd ORDINARY SESSION
8 - 9 JUNE 2005
CAIRO, ARAB REPUBLIC OF EGYPT**

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**REPORT OF THE THIRD ORDINARY SESSION OF THE AU
CONFERENCE OF MINISTERS OF TRADE**

REPORT OF THE THIRD ORDINARY SESSION OF THE AU CONFERENCE OF MINISTERS OF TRADE

INTRODUCTION

1. The Third Ordinary Session of the AU Conference of Ministers of Trade convened at the level of Ministers from 8 to 9 June, 2005 at the Conference Centre of Conrad Hotel in Cairo, Arab Republic of Egypt. The opening ceremony was presided over by Hon. Nshuti Manasseh, the Minister of the Republic of Rwanda in his capacity as outgoing Chairperson of the Conference. The guest of honour was H.E. Dr. Ahmed Nazif, Prime Minister of the Arab Republic of Egypt.

ATTENDANCE

2. The meeting was attended by the following countries: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, The Comoros, Republic of Congo, Democratic Republic of Congo, Cote d'Ivoire, Djibouti, Egypt, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Kenya, Lesotho, Libya, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, SADR, Senegal, South Africa, The Sudan, Swaziland, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe.

3. The following Regional Economic Communities (RECs)/Negotiating Groups participated in the meeting: the Economic and Monetary Community of Central Africa (CEMAC), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC) and the West African Economic and Monetary Union (UEMOA).

4. The following African and international organizations, as well as NGOs were also represented at the meeting: the United Nations Economic Commission for Africa (UNECA), UN Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations World Food Programme (UNWFP), Common Fund for Commodities (CFC), Council for Arab Economic Unity (CAEU), ACP, FAO, World Bank, League of Arab States (LAS), Organisation Internationale de la Francophonie (OIF), International Trade Centre (ITC), European Investment Bank (EIB), International Lawyers and Economists Against Poverty (ILEAP), APROCA, Action Aid International, Africa Trade Network, Third World Network (TWN), Industrial Modernization Centre, NEPAD Secretariat, SEATINI, OXFAM, South Centre, Alternative Information and Development Centre, ENDA Tiers Monde, CECIDE, European Union and the World Trade Organization (WTO). The full list of participants is attached as Annex 1.

PROCEEDINGS

Agenda Item 1: Opening of the Meeting

REMARKS BY THE OUTGOING CHAIRMAN, HON. PROFESSOR NSHUTI MANASSEH, MINISTER OF COMMERCE, INDUSTRY, INVESTMENT PROMOTION, TOURISM AND COOPERATIVES OF THE REPUBLIC OF RWANDA

5. In his welcoming statement and after thanking the people and Government of the Arab Republic of Egypt, the Honourable Minister of Rwanda and Chairperson of the session, expressed the view that the holding of the Conference was timely in that it was an opportunity for Ministers not only to deliberate in the context of the forthcoming UN General Assembly on MDGs, the G-8 and 6th WTO Ministerial meetings, but more importantly, to contribute to finding durable solutions to the range of problems that face Africa. He then reported on activities undertaken by the bureau since the last Ministerial Conference in Kigali and underscored the engagement of Africa in reaching the July Package agreement, the success achieved in extending the AGOA to 2015 and some progress made in the ACP-EU negotiations for Economic Partnership Agreements.

6. The Minister exhorted Africa's leaders to focus discussions at the G8 Summit in Gleneagles on financing Africa's development; on aid for trade; and adequately address the issue of debt. With regard to the Hong Kong WTO Ministerial Conference, he cautioned against failure to reach agreement on the first approximation on modalities by end of July 2005, which could seriously jeopardize the success of the Conference and in turn, the successful completion of the Round by end 2006.

7. In conclusion, the Honourable Minister advocated for political commitment and dedication to achieve success of the Hong Kong WTO Ministerial Conference. He called on the meeting to provide the necessary political guidance to African negotiators in Geneva so as to ensure progress and expressed his assurance that their concerted efforts would undoubtedly yield positive economic outcomes for the advancement of the African people.

STATEMENT BY THE REPRESENTATIVE OF THE UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA (ECA)

8. On behalf of the Executive Secretary of the ECA, Mr. Hakim Ben Hammouda, thanked the Government of Egypt for hosting the meeting and the AU Commission for associating the ECA substantively with the Conference in an endeavour to tackle the challenges facing Africa in a realistic and workable way. He commended the negotiators in Geneva for the efforts deployed to ensure that the July Package took cognisance of most of the issues that African countries agreed upon in Kigali last year.

9. As Hong Kong was approaching, said Mr. Hammouda, it was important to ensure that the first approximation of the modalities are consistent with the role Africa wants

trade to play in order to attain the MDGs. He further called for ensuring coherence in the positions that are taken at national, regional and multilateral levels. He referred to the policy briefings prepared by ECA on specific issues of the WTO agenda and the organisation of an experts' meeting before Hong Kong to reflect on the state of modalities. He also informed the Conference that the ECA was jointly organising with the AU and UNDP from 22 to 24 September, 2005 in Kenya, a continental meeting to look into the development aspects of EPAs.

STATEMENT BY DR. KIPKORIR ALY AZAD RANA, DEPUTY DIRECTOR GENERAL OF THE WTO

10. In his statement, Dr. Kipkorir Aly Azad Rana, Deputy Director General of the WTO, acknowledged the role of leadership being played by Africa in the WTO in spite of its enormous challenges. He recalled the intention of Africa's leaders to give a decisive push to the Doha negotiations in order to ensure an ambitious outcome with meaningful development benefits for Africa. He then exhorted Member States to seize the opportunity of the G8 Summit at Gleneagles in July to advance Africa's trade and development goals.

11. Dr. Rana further expressed the WTO Secretariat's readiness to assist African negotiators in Geneva as they enter into a bargaining phase that requires both technical work and political engagement. He then gave a snapshot of the state of play of negotiations in various areas and called on Africa to seize the opportunity of the three-year review of the Africa Action Plan of the Commission for Africa Report and the Millennium Review Summit to voice its interests and concerns.

STATEMENT BY MRS LAKSHMI PURI, REPRESENTATIVE OF UNCTAD

12. In her speech, the representative of UNCTAD, Mrs Lakshmi Puri, Director Division on International Trade in Goods, Services and Commodities, reminded the meeting of UNCTAD's unique position to support Africa and its commitment as revitalized at UNCTAD XI. She then elaborated on three areas of common concern for Africa notably: the trade agenda, the investment and supply capacity agenda and economic development priorities for Africa.

13. She stated that the Doha Round was expected to make positive and decisive contribution in causing the international trading system to respond to the specific needs of African countries. She added that the so-called "development round" should be a fair trade deal for Africa in enhancing its production, trade capacity and competitiveness and provide effective market access and entry opportunities for its products.

14. With regard to supply capacity and investment, she stated that it was imperative that at national level, a more focused and targeted investment strategy be designed. In regard to economic development priorities, she underlined the five following priorities identified by UNCTAD on the current trade for development agenda for Africa, notably: South-South trade, enhancing supply capacity for commodities, achieving economic

development goals of the MDGs, ensuring proper interface and coherence between multilateralism and regionalism and finally accessing predictable, reliable and external finance for realizing Africa's long term development objectives. In conclusion, Mrs. Puri reiterated UNCTAD's commitment to provide strategic technical analysis and policy advice to assist Africa.

STATEMENT BY MRS. ELISABETH TANKEU, AU COMMISSIONER FOR TRADE AND INDUSTRY

15. After thanking the Government and people of the Arab Republic of Egypt for their warm welcome and hospitality, the Commissioner for Trade and Industry of the African Union Commission recalled the stakes of the Conference which are raised by the context in which it is holding, namely the WTO General Council meeting, the G8 and the AGOA Forum next July, the MDGs Summit in September and the 6th WTO Ministerial Conference in December. She referred to the important mechanisms being put in place to strengthen partnership between the African private sector and that of other regions of the world and added that the present Conference would provide an opportunity to initiate reflections on the preparation of those events, and identify optimal strategies that will enable Africa to speak in unison.

16. Reiterating her confidence in trade as a powerful tool to achieve the MDGs, she nevertheless stressed on the internal and external constraints weighing heavily on the development of African trade, In this respect, she addressed a strong message to the international community about the need to profoundly reform this system, so as to enable African countries to participate effectively in world trade without encountering hurdles, and shield them from the constant deterioration of the terms of trade. She also appealed to the Conference to deliberate and reach agreement in a spirit of unity, cohesion and solidarity as a united and coherent Africa, solidly welded together, would be stronger, more credible and more respected.

17. In conclusion, she acknowledged the call being made to the Commission for a more prominent role in coordination, harmonization and leadership both at the level of the RECs and at the level of international negotiations and advocated that this should be matched by adequate means to be placed at the disposal of the Commission. She also reiterated the Commission's availability to join the Member States in their development efforts.

STATEMENT BY H.E. MR. RASHID MOHAMED RASHID, MINISTER OF FOREIGN TRADE AND INDUSTRY OF THE ARAB REPUBLIC OF EGYPT

18. In his statement, H.E. Mr. Rashid Mohamed Rashid, Minister of Trade and Industry of Egypt, welcomed Ministers and Heads of delegation and stressed the importance of the meeting which is expected to unify the positions of African countries with the objective of making Africa an active force in the new economic order. He also stressed the need for consolidating the African efforts in the preparation for the forthcoming 6th Ministerial meeting of WTO in Hong Kong.

19. The Minister called for the launching a new method for reducing customs duties on agricultural products and emphasised the need for a new formula for pushing forward negotiations on services in a way that respects the interests of African countries. The Minister highlighted the issue of trade facilitation, determination of needs and capacities, and the cost of fulfilling the obligations of developing countries. He also underlined the need for implementing an effective technical and financial assistance programme to ensure the respect of development goals of Africa.

20. Mr. Rashid underscored the importance of economic integration and the need for coordinating the efforts and policies of the Regional Economic Communities. Finally, he called for the evaluation and coordination of cooperation agreements between Africa and its development partners and underlined the importance of cooperation with Asian partners.

**STATEMENT OF H.E. DR. AHMED NAZIF, PRIME MINISTER OF THE ARAB
REPUBLIC OF EGYPT**

21. H.E. Dr. Ahmed Nazif, Prime Minister of the Arab Republic of Egypt welcomed the Ministers and delegations on behalf of the President, the government and the people of Egypt and wished them success in their deliberations. He expressed his conviction that the outcome of the meeting would be commensurate with the hopes and aspirations of the African peoples.

22. H.E. the Prime Minister stated that with the establishment of the African Union to lead the process of integrated development of the continent, Africa had entered a new era. He added that Africa's presence in the international economic and political fields had continued to improve, as indicated by the relative improvement of its economic indicators. He recalled the policy reforms carried out by African countries and the relative progress achieved by the RECs. He reiterated that Africa's commitment to pursue its path for progress and development was further demonstrated by the adoption of NEPAD as a tool for collective action and for changing the image of Africa, particularly vis-à-vis foreign investors.

23. However, the Prime Minister indicated that the marked improvement was not commensurate with the continent's huge potential and called for the development and strengthening of the infrastructure, both physical and financial to underpin Africa's trade. He also called for closer cooperation and coordination among all the RECs in order to raise the share of intra-African trade and to meet the objectives of the establishment of the Union of African Chambers of Commerce which is aimed at enhancing the participation of African businessmen in Africa's development.

24. On WTO issues, the Prime Minister stressed the need for developed countries to meet the Doha Development Round commitments expeditiously, to reduce agricultural subsidies and remove all barriers to Africa's trade. He reiterated Egypt's commitment to continue to be an active member and play an effective role at the WTO. In this respect,

he recalled the activities of Egypt's technical assistance fund and the role of its President within NEPAD. In conclusion, he urged Africa to intensify efforts in attracting Foreign Direct Investment (FDI); in promoting inter-African trade through the RECs; in coordinating African positions within the WTO and in reinforcing NEPAD by giving maximum priority to the poverty eradication programme in Africa.

VOTE OF THANKS

25. Mrs. Adélaïde Moundele-Ngollo, Minister of Trade of the Republic of Congo delivered a vote of thanks on behalf of her colleagues. She expressed deep appreciation to H.E. Mr. Ahmed Nazif, Prime Minister of the Arab Republic of Egypt for honouring this meeting with his presence in spite of his multiple obligations. This, she added, demonstrated his personal commitment and the dedication of the great Arab Republic of Egypt to the objectives of the African Union and especially to the efforts being deployed by the African people to win its rightful place in the global economic arena. She thanked the Government and people of Egypt for their remarkable hospitality and the Prime Minister for his wise words relating to the issues on the agenda. In conclusion, she also thanked the partners for their contributions.

Agenda Item 2: Election of the Bureau

26. The meeting elected the following Bureau:

Chair	: Egypt (North Africa)
First Vice-Chairperson	: Kenya (East Africa)
Second Vice-Chairperson	: Côte-d'Ivoire (West Africa)
Third Vice-Chairperson	: Cameroon (Central Africa)
Rapporteur	: Rwanda (East Africa)

Agenda Item 3: Adoption of the Agenda

27. The meeting adopted the following Agenda:

1. Opening of the Meeting
2. Election of the Bureau
3. Adoption of the Agenda
4. Organization of Work
5. Consideration of the Report of the Experts, namely:
 - (a) Intra-Africa Trade
 - (b) WTO Negotiations

- Cotton Initiative

- Way Forward in preparation for the 6th WTO Ministerial Conference of Hong Kong
- (c) EPA Negotiations
 - Way Forward
- (d) Improving Trade and Investment in Africa
- [e] Cooperation Mechanism between the Union of African Chambers of Commerce, Industry, Agriculture and Professions (UACCIAP) and China Council for Promotion of International Trade (CCPIT)
- 6. Hosting of UNCTAD XII
- 7. Any Other Business
- 8. Dates and Venue of the 4th Ordinary Session of the AU Conference of Trade Ministers
- 9. Dates and Venue of the Extraordinary Session of the AU Conference of Ministers of Trade
- 10. Adoption of Ministerial Outcome, i.e. Decisions and Recommendations
- 11. Vote of Thanks
- 12. Closure

Agenda Item 4: Organization of Work

28. The meeting adopted the following working hours:

Morning: 09:00 hrs – 13:00 hrs

Afternoon: 15:00 hrs – 19:00 hrs

Agenda Item 5: Consideration of the Report of the Experts

29. The report of the experts was tabled by its Chairperson before the Ministers. In the light of the recommendations of the experts the 3rd AU Conference of Ministers of Trade took the following decisions:

- (i) General Trade Issues;
- (ii) Cairo Declaration and Road Map on the Doha Work Programme;
- (iii) AU Ministerial Declaration on EPA Negotiations.

Intra-African Trade:

30. Under Intra-African Trade, the Conference made the following recommendations:
- The adoption of a common approach and format in evaluation which can reflect the reality on the ground;
 - Greater effort at AU level and other organizations to acquire current intra-African trade statistics so as to make more realistic analyses;
 - That the AU and ECA be mandated to assist the RECs to harmonise their rules of origin;
 - The establishment of a more efficient process to follow-up the implementation of conference decisions;
 - The review of all modes of transport and the necessary investment in order to remove the obstacles posed to intra-African trade.

Trade Facilitation

31. Given the current low level of intra-African trade, the bias of Africa's external trade towards the developed partners, and the emphasis on regional and continental integration in Africa's agenda of reducing poverty and increasing the welfare of its peoples, African countries have no alternative than to address the issue of trade facilitation. This is crucial to Africa's development; particularly for increasing competitiveness and raising the level of intra-African trade. The complexity of these issues requires a work program that goes well beyond WTO negotiations

32. The Conference therefore mandated the following actions:

At national level

- Wide consultations between operators, Customs administrations and the national trade negotiators;
- Studies on the level of trade facilitation with particular focus on needs, priorities and costs, using all available tools;
- Conduct of needs assessment in capacity building (including institutional and infrastructural capacity building) and technical assistance;
- Develop offensive negotiating positions by identifying all policies, measures and procedures that hamper the entry of African exports into developed markets and making proposals.

At regional level

- Regional Economic Communities (RECs) to enhance their involvement in Trade Facilitation issues;

- Carry out stocktaking of all regional Trade facilitation initiatives and develop best practice guidelines for sharing;
- Set up regional experts groups to carry out in-depth studies on the subject matter not only from a WTO negotiations perspective but also from that of their mandate to achieve the African Economic Community.

At continental level

- To agree on a firm common position that will be respectful of the trade-off contained in the July package, notably with regards to Technical Assistance and Capacity Building,

WTO Negotiations:

33. Following the consideration of the report of the Working Group on WTO Negotiations, the Conference endorsed the **Cairo Declaration and Road Map on the Doha Work Programme**.

Report on the Implementation of the Cotonou Partnership Agreement in the field of Trade and Investment

34. Concerns were raised about the delay of disbursement of EDF resources, due largely to complex procedures and stringent conditionalities. It was noted that since the introduction of CPA, only about Euro 50 million had been disbursed. The need for the EU to provide timely information about the size of the financial package under 10th EDF. And also the need for the transfer of unutilised 9th EDF resources to EDF 10 were emphasized. Concern about the possible negative impact of budgetization on the size and predictability of the flow of EU funds to ACP countries was also expressed.

- To improve therefore the effectiveness and enhance the utilization of the instruments under the Cotonou Partnership Agreement for the strengthening of regional integration and private sector development in ACP countries, the meeting recommended that greater emphasis be placed on capacity building, simplification of procedures, the lowering of threshold and the relaxation of conditionalities for the European Investment Bank (EIB) loans.
- It also recommended the strengthening of the CDE and CTA to serve as effective instruments for the promotion of regional integration in ACP countries.
- Finally, it recommended that the issues and concerns raised above be addressed at the forthcoming ACP Ministers of Finance Conference scheduled for the second week of June in Niger.

EPA Negotiations

35. With regard to the findings of the ECA study, the following recommendations were made:

- Sequencing of the EPA implementation would be critical to their usefulness as development tools.
- Early implementation should first focus on removing intra-Africa trade barriers.
- Africa must accelerate its regional integration processes so as to build and consolidate supply capacity before opening up to the EU.
- There is also need to coordinate EPAs with WTO negotiations and in particular, it is important to closely follow WTO negotiations on regional trade agreements with a view to having Article 24 reviewed in order to allow for asymmetrical and flexible EPAs.

36. Following the consideration of the report of the Working Group on EPAs negotiations, the Conference endorsed the **AU Ministerial Declaration on EPA Negotiations** which is herewith attached.

Report on AGOA III:

37. With regard to the following main constraints impeding the implementation of AGOA III such as:

- i. The low production capacities of most African countries;
- ii. The Sanitary and Phytosanitary standards which appeared as barriers to entry;
- iii. The flow of productive investments which are not forthcoming and which de facto slow down development of joint ventures between African and American economic operators;
- iv. The persistence of customs barriers, even if one of the founding principles of AGOA remains the opening up of American markets to African products,

38. The meeting mandated a number of measures for action focusing on the following points:

- The need to diversify not only the products but also the trading partners;
- The development of basic infrastructures to enhance competitiveness of economies and meet the exigencies of AGOA;

- Building of productive capacities;
- Cancellation of export subsidies of developed countries;
- Preparation of strategies or safeguard measures against products originating from China;
- Simplification of rules of origin;
- Securing a waiver from the WTO for AGOA.

TICAD III Africa-Asia Follow-up Conference, Tokyo, November 2004

39. Under this item, the meeting decided the following:

- i. Following the review of the positive developments in Afro-Asian relations during the past period, the meeting agreed to go ahead with the implementation of the “Common Political Framework to enhance Trade and Investment between Africa and Asia”, which was signed between NEPAD and TICAD in Tokyo in 2004;
- ii. Appreciation was expressed for the role of Japan in enhancing Afro-Asian cooperation through its auspices and support for the “Tokyo International Conference on Africa’s Development”, and the invitation of Japan’s Prime Minister to hold the Fourth Conference in 2008 was accepted;
- iii. The declaration of Japan’s Prime Minister to start the Internet website “TICAD-EXCHANGE” which began with 8 African countries as a first step hoping to include the rest of the African countries by the end of 2006;
- iv. The importance of concluding the procedures for the establishment of the Afro-Asian Union for Chambers of Commerce – in Accra, Ghana, as soon as possible;
- v. The AU Commission should consider the initiative of Japan’s Prime Minister with 4 aspects related to enhance Afro-Asian cooperation which he announced during the Afro-Asian Trade and Investment Conference (AATIC) in Tokyo in 2004 in preparation for the implementation of this initiative through the present cooperation between the two parties;
- vi. Rethink the Africa-Asia partnership model so as to make TICAD an efficient mechanism while taking into account the real needs and priorities of African development;

- vii. Review the “immediate” needs for effective and sustainable development in Africa: (lay the foundation of development by the building of vital capacities proper to Africa);
- viii. Coordinate and harmonise the different initiatives, sources of finance and local and regional African institutions to implement them;
- ix. Promote South/South triangular cooperation;
- x. Encourage technology transfer to Africa.

Trade and Investment in Africa

40. Cognizant of the fact that Africa's performance in attracting FDI remained disappointing, the meeting made the following decisions:

- Rethink the investment promotion strategies pursued by African countries with a view to making policies towards FDI an integral part of national development priorities and identifying existing constraints to FDI inflows.
- Ensure that Africa attracts the types of FDI that supports trade and economic growth and sectoral diversification.
- The home countries of TNCs should also support African efforts by introducing home country measures to encourage increased investment into the region and to ensure that the market access opportunities granted to Africa result in attracting a steady flow of FDI.
- International organizations such as UNCTAD should support African countries to review their investment policies and identify more focused and targeted investment promotion strategies.
- With respect to the FDI which was attracted to Africa to take advantages of the preferences in the textile sector, the meeting decided that measures needed to be taken to underpin FDI in the sector and ensure their continued operation in African countries when the preferences were phased out.

South-South Trade

41. Africa's participation in interregional South-South trade is important. Other developing countries in Asia and Latin America are providing expanding markets for African countries. In this regard, the Global System of Trade Preferences (GSTP) supported by UNCTAD provides an important instrument for African countries to secure preferential market access into the growing markets of the South. In the light of the above, the meeting decided as follows:

- Welcomed the third round of GSTP negotiations currently underway;
- Encouraged African countries to engage actively in the negotiations and,
- For those that are not yet members, to join the GSTP Agreement in order to benefit from interregional South-South trade.

Improving the Business Climate

42. After considering the Investment Climate Facility of the NEPAD, which is a practical and novel instrument for improving investment conditions in Africa, the meeting endorsed the **Investment Climate Facility** initiative of NEPAD.

Agenda Item 6: Hosting of UNCTAD XII

43. In introducing this item, Honourable Alan Kyeremanteng, Minister of Trade, Industry & President's Special Initiatives of Ghana, recalled that Egypt had hosted the UN Conference on Population and Development and Tunisia was about to welcome the World Summit on the Information Society while South Africa had hosted UNCTAD IX in 1996 and the World Summit on Sustainable Development in 2002. He added that the fifteen Member States of ECOWAS were supporting Ghana's offer. He pointed out that the opportunity given by the UNCTAD forum to address issues such as debt, finance, poverty reduction and others could not be overemphasized. He then informed the meeting that Mozambique had withdrawn its candidature and that Egypt was about to follow suit. In that regard, and in view of preparations that needed to start early, he requested for the privilege and honour to invite and host his colleagues in 2008.

44. In response, Mozambique confirmed its withdrawal in favour of Ghana. The Conference discussed the item and decided to refer the issue to the Candidatures Committee of the AU Executive Council of Ministers.

Agenda Item 7: Any Other Business

45. No issue was raised under this item.

Agenda Item 8: Date and Venue of the 4th Ordinary Session of the AU Conference of Trade Ministers

46. The meeting was reminded that, at the Second Ordinary Session of the Conference of Ministers of Trade held in Kigali last year, it was agreed that Kenya would host the Conference in 2006. Following Kenya's formal request, the meeting agreed to hold the 4th Ordinary Session of the Conference in Kenya about the same period in 2006.

Agenda Item 9: Date and Venue of the Extraordinary Session of the AU Conference of Ministers of Trade

47. A proposal was made to hold the extraordinary session in the margins of the Hong Kong meeting. Delegations intervened to recall the machinery that was put in place before Cancun and which led to the unity, solidarity and therefore strength of the G90 and in that regard, called for a similar set up before Hong Kong.

48. At that juncture, the AU Commissioner informed the meeting that Tanzania had already offered to host a Ministerial Conference on Commodities by mid November 2005 and that preparations for the meeting had started since January 2005. She stressed the fact that Africa needed to fashion its common position before proceeding to Hong Kong, a priori, at its own level and then at the level of G90. The Minister of Trade of Tanzania confirmed the statement made by the Commissioner. Senegal then offered to host the extraordinary session. However, due to time constraints, the offer of Senegal was not retained. Still in the spirit of coordination of positions, the Minister of Trade of Zambia informed the meeting that his country was hosting the LDCs meeting in Livingstone from 25 to 27 June, 2005 and that the outcome of that meeting would be tabled before the extraordinary session of AU Ministers of Trade.

49. After discussing the issue, the meeting agreed that an extra day would be added to the Commodities meeting in order to allow Member States to discuss WTO issues. In addition to that, a meeting should be convened a couple of days before Hong Kong as G90 in order to build on the strength of Cancun.

Agenda Item 10: Adoption of Ministerial Outcome, i.e. Decisions and Recommendations

50. The Conference adopted the **Cairo Declaration and Road Map on the Doha Work Programme** as well as the **AU Ministerial Declaration on EPA negotiations**. These are attached to this report.

Agenda Item 11: Vote of Thanks

51. A vote of thanks was moved by H.E. Daniel M. Moroka, Minister of Trade and Industry of Botswana on behalf of the Conference, in which he expressed the deep gratitude of Ministers to H.E. Hosni Mubarak, President of the Arab Republic of Egypt, the Government and People of Egypt for the warm hospitality and the cordial reception extended to all delegations to the Third Ordinary Session of the African Union Conference of Ministers of Trade as well as for their contribution to the realisation of the goals of the African Union. He also underscored that the Cairo Conference had advanced Africa's quest to become a significant partner in the world global market and had afforded Member States a platform to exchange and agree on various issues and come up with the Cairo Declaration and its Annex, the Cairo Roadmap as well as the Declaration on EPA Negotiations

Agenda Item 12: Closure

52. In his closing statement, H.E. Minister M. Rachid expressed his appreciation for the generosity and support of all delegations. He voiced Member States' pride for the work achieved in the past two days and declared the Conference closed.

2005

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